

ATTACHMENT "A"

AETNA - LANCASTER COUNTY/CITY OF LINCOLN, NEBRASKA SERVICE AGREEMENT

THIS SERVICE AGREEMENT ("Agreement") is entered into the 1st day of April, 2005, by and between the City of Lincoln, Nebraska, a municipal corporation, the County of Lancaster, Nebraska, hereinafter jointly referred to as "Policyholder" and Aetna Life Insurance Company, hereinafter referred to as "Aetna."

WHEREAS, City of Lincoln, Nebraska and Lancaster County, Nebraska desire to provide its employees with access to supplemental insurance products for employees to purchase at their own cost; and

WHEREAS, City of Lincoln, Nebraska and Lancaster County, Nebraska undertook an effort to get proposals from a number of providers and has concluded that Aetna is an appropriate company to provide such supplemental insurance products; and

WHEREAS, Aetna is a supplemental insurance provider and would like to market supplemental insurance products to City and County employees.

NOW, THEREFORE, IN CONSIDERATION OF THE TERMS, REPRESENTATIONS AND PROVISIONS HEREOF, BOTH PARTIES AGREE AS FOLLOWS:

1) Term. This Agreement shall begin on April 1, 2005 and expires on March 31, 2010. The term of the Aetna Group Long Term Care Insurance Policy shall be governed solely by the terms of the Group policy.

2) Contract Documents. The contract documents comprise the contract and consist of the following:

- (a) Aetna Group Long Term Care Insurance Policy;
- (b) Certificate of the Policyholder;
- (c) Application of the Policyholder.

3) Responsibilities. Aetna shall provide the following services and duties:

- (a) Offer the following types of coverage to City and County employees:
 1. Group Long Term Care Insurance
- (b) Prior to holding office hours and meeting with City and County employees, Aetna shall seek approval from the Personnel Department as to the dates and times of such office hours and meetings.
- (c) Service enrollments, claims, and resolve billing errors in a timely manner.

The Policyholder shall provide the following services and duties:

- (a) Provide Aetna with a list of individuals who are no longer employed by the Policyholder. Such list shall be prepared by the Personnel Department on a monthly basis.

3) Independent Contractor Relationship. This Agreement is not intended to create nor shall it be construed to create any relationship between the Policyholder and Aetna other than that of independent persons or entities contracting to effectuate the provisions of this Agreement. Neither party nor any of their representatives shall be construed to be the agent, employer, employee or representative of the other.

4) Termination. This Agreement may be terminated for any reason by the Policyholder by giving Aetna thirty-one (31) days written notice. The parties agree and acknowledge that all rights of either party to terminate the Group Policy shall be governed solely by the terms of the Group Policy and that a termination of this Agreement shall not be interpreted or otherwise construed to relieve Policyholder or Aetna from any outstanding liability under the Group Policy.

5) Authorized Representatives. The parties hereto expressly agree that for the purposes of notice, during the term of this Agreement, and for any period applicable to the terms expressed herein, the following named individuals are designated as authorized representatives of the parties:

If to Policyholder:

Mr. William Kostner
Risk Manager
City of Lincoln, Nebraska
555 South 10th Street
Lincoln, NE 68508

If to Aetna:

Ms. Kathryn A. Palm
Senior Account Executive
Aetna Life Insurance Company
11100 Wayzata Boulevard, Suite 420
Minnetonka, MN 55305

6) Insurance. Aetna shall maintain sufficient operating funds to cover any and all claims arising out of or resulting from its errors, omissions, or negligent acts in the performance of this Agreement. Such program shall contain a limit of liability not less than \$1 million, each occurrence, \$2 million aggregate. Evidence of such operating funds shall be provided to Policyholder prior to engaging in work provided for in this agreement.

7) Hold Harmless.

a) Aetna agrees to indemnify and hold harmless Policyholder, its affiliates, and their respective directors, officers and employees (acting in the course of their employment and not as claimants) for that portion of any liability, settlement and related expense (including the reasonable cost of legal defense)

i. resulting from or arising out of the dishonest, fraudulent or criminal acts or omissions of Aetna's employees in connection with the administration of claims under the Policy, whether acting alone or in collusion with third parties who are outside the coverage of this indemnification, or

ii. caused solely and directly by Aetna's negligence in administering claims under the Policy.

b) Policyholder agrees to indemnify and hold harmless Aetna, its affiliates, and their respective directors, officers and employees, for that portion of any liability, settlement and related expense (including the reasonable cost of legal defense)

i. resulting from or arising out of the dishonest, fraudulent or criminal acts or omissions of Policyholder in connection with its role as Policyholder, employer or Plan Administrator, whether acting alone or in collusion with third parties who are outside the coverage of this indemnification, or

ii. caused solely and directly by Policyholder negligence in connection with its role as employer, Policyholder or Plan Administrator.

c) The indemnification obligations in 7(a) and 7(b) above shall not apply to that portion of any liability, settlement and related expense caused by (i) Aetna's act or omission undertaken at the direction of Policyholder, or (ii) by Policyholder act or omission undertaken at direction of Aetna.

d) The party seeking indemnification under 7(a) or 7(b) above must notify the indemnifying party promptly in writing of any actual or threatened action, suit or proceeding to which it claims such indemnity applies. The indemnifying party may then take steps to be joined as a party to such proceeding, and the party seeking indemnification shall not oppose any such joinder. Whether or not such joinder takes place, the indemnifying party shall provide the defense with respect to claims to which this indemnity applies. The party seeking indemnification shall have the right, at any time and at its own expense, to participate in such defense through counsel of its own choosing, but the indemnifying party shall have the right to control the defense and settlement with respect to such claims.

e) The party seeking indemnification may assume responsibility for the direction of its own defense at any time, including the right to settle or compromise any claim against it without the consent of the indemnifying party, provided that in doing so it shall be deemed to have waived its right to indemnification except in cases where the indemnifying party has declined to defend against the claim.

f) Policyholder and Aetna agree that Aetna does not render custodial or medical care to claimants, that neither is responsible for the provision of custodial or health care by custodial or health care providers, that custodial or health care providers are not the agents of either, and that in no event shall the indemnification obligations under 7(a) or 7(b) above apply to that portion of any loss, liability, damage, expense, settlement, cost or obligation caused by the acts or omissions of custodial or health care providers with respect to claimants.

8) Equal Employment Opportunity. In connection with the carrying out of the activities provided herein, Aetna shall not discriminate against an employee or applicant for employment because of race, color, religion, sex, disability, national origin, age, marital status, receipt of public assistance, or any other basis prohibited by applicable state or federal law.

9) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

10) Severability. In the event that any clause, term, or condition of this Agreement shall be held invalid or contrary to law, this Agreement shall remain in full force and effect as to all other clauses, terms, and conditions.

11) Integration, Amendment, & Assignment. This Agreement together with the Group Policy, sets forth the entire agreement between the parties with respect to the subject matter hereof and shall govern the respective duties and obligations of the parties. This Agreement may be amended only by written agreement by the parties. It is mutually understood and agree that neither party shall assign, transfer, convey, or otherwise dispose of its right, title or interest in this Agreement, to any other person, firm or corporation, without the previous written consent of the other party, such consent not to be unreasonably withheld.

11) Integration, Amendment, & Assignment. This Agreement together with all attachments contains all the terms and conditions agreed upon by the parties, and supersedes all other agreements, express or implied regarding the subject matter. This Agreement may be amended only by written agreement by the parties. Any assignment or transfer of any services to be provided by Union Agency is hereby prohibited unless the consent of the Policyholder is obtained.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

Effective Date:

CITY OF LINCOLN, NEBRASKA

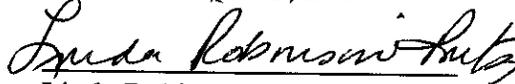
April 1, 2005

Coleen J. Seng, Mayor

COUNTY OF LANCASTER

Larry Hudkins, Chair
Lancaster County Board of Commissioners

UNION AGENCY, INC.



Linda Robinson Rutz
President
Union Agency, Inc.

APPROVED AS TO FORM

this ____ day of _____, 2005


Asst. City Attorney

Deputy County Attorney

UNION AGENCY, INC., REPRESENTING AETNA -
CITY OF LINCOLN/LANCASTER COUNTY
SERVICE AGREEMENT

THIS SERVICE AGREEMENT is entered into the 1st day of April, 2005, by and between the City of Lincoln, Nebraska, a municipal corporation, the County of Lancaster, Nebraska, hereinafter jointly referred to as "Policyholder" and Union Agency, Inc., an independent agency representing Aetna Life Insurance Company, hereinafter referred to as "Union Agency."

WHEREAS, City of Lincoln, Nebraska and Lancaster County, Nebraska desire to provide its employees with access to supplemental insurance products for employees to purchase at their own cost; and

WHEREAS, City of Lincoln, Nebraska and Lancaster County, Nebraska undertook an effort to get proposals from a number of providers and has concluded that Aetna is an appropriate company to provide such supplemental insurance products; and

WHEREAS, Aetna is a supplemental insurance provider and Union Agency, as an independent broker representing Aetna, would like to market supplemental insurance products to City and County employees.

NOW, THEREFORE, IN CONSIDERATION OF THE TERMS, REPRESENTATIONS AND PROVISIONS HEREOF, BOTH PARTIES AGREE AS FOLLOWS:

- 1) Term. This Agreement shall begin on April 1, 2005 and expires on March 31, 2010.
- 2) Responsibilities. Union Agency shall provide the following services and duties:
 - (a) Offer the following types of coverage to City and County employees:
 1. Aetna Long Term Care Insurance
 - (b) Prior to holding office hours and meeting with City and County employees, Union Agency shall seek approval from the Personnel Department as to the dates and times of such office hours and meetings.
 - (c) Service enrollments, claims, and resolve billing errors in a timely manner.

The Policyholder shall provide the following services and duties:

- (a) Provide Union Agency with a list of individuals who are no longer employed by the Policyholder. Such list shall be prepared by the Personnel Department on a monthly basis.

3) Independent Contractor Relationship. This Agreement is not intended to create nor shall it be construed to create any relationship between the Policyholder and Union Agency other than that of independent persons or entities contracting to effectuate the provisions of this Agreement. Neither party nor any of their representatives shall be construed to be the agent, employer, employee or representative of the other.

4) Termination. This Agreement may be terminated for any reason by either party giving thirty-one (31) days written notice.

5) Authorized Representatives. The parties hereto expressly agree that for the purposes of notice, during the term of this Agreement, and for any period applicable to the terms expressed herein, the following named individuals are designated as authorized representatives of the parties:

If to Policyholder:

Mr. William Kostner
Risk Manager
City of Lincoln, Nebraska
555 South 10th Street
Lincoln, NE 68508

If to Union Agency:

Mike McHargue
Vera Winterstien
4719 Prescott Avenue
PO Box 6205
Lincoln, NE 68506

6) Insurance. Union Agency shall purchase and maintain throughout length of this Agreement, Professional Liability Insurance, naming and protecting Union Agency against claims for damages resulting from their errors, omissions, or negligent acts. Such policy shall contain a limit of liability not less than \$1 million each occurrence, \$2 million aggregate.

7) Hold Harmless. Union Agency shall indemnify and hold harmless the Policyholder, its agents, employees and representatives from all claims, demands, suits, actions, payments, liability, judgments and expenses (including court-ordered attorney's fees), arising out of or resulting from the performance of this Agreement that results in bodily injury, sickness, disease, death, civil rights liability, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, and is caused in whole or in part by Union Agency, its employees, agents, or representatives, either directly or indirectly employed by them. Further, Union Agency shall indemnify and hold harmless the Policyholder, its agents, employees, and representatives from all claim disputes regarding Aetna's insurance policies, premiums collected, and any billing disputes. This section will not require Union Agency to indemnify or hold harmless the Policyholder for any losses, claims, damages, and expenses arising out of or resulting from the negligence of the Policyholder.

8) Equal Employment Opportunity. In connection with the carrying out of the activities provided herein, Union Agency shall not discriminate against an employee or applicant for employment because of race, color, religion, sex, disability, national origin, age, marital status, receipt of public assistance, or any other basis prohibited by applicable state or federal law.

9) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

10) Severability. In the event that any clause, term, or condition of this Agreement shall be held invalid or contrary to law, this Agreement shall remain in full force and effect as to all other clauses, terms, and conditions.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

Effective Date:

CITY OF LINCOLN, NEBRASKA

April 1, 2005

Coleen J. Seng, Mayor

COUNTY OF LANCASTER, NEBRASKA

Larry Hudkins, Chair
Lancaster County Board of Commissioners

AETNA LIFE INSURANCE COMPANY

Name

Title

APPROVED AS TO FORM
this ____ day of _____, 2005

Asst. City Attorney

Deputy County Attorney